
FY 2012 Proposed Budget Overview

March 8, 2011

FY 2012 Proposed Budget Overview

- Worst of recession appears to be past.
 - Most revenue sources have stabilized.
 - Real and personal property taxes have shown small growth.
 - Excise taxes and development fees remain below historic norms.
 - Unemployment (December 2010):
 - State unemployment at 6.4% (December 2009 – 6.7%).
 - County unemployment at 4.9% (December 2009 – 5.5%).
 - 2010 residential foreclosures remained high, nearly matching 2008
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FY 2012 Proposed Budget Overview

- FY 2012 budget's challenges consist of addressing immediate demands and restoring services when possible.
 - County workforce reduced by more than 30 positions since FY 2009.
 - County government service reductions include:
 - Reduced hours at libraries and parks
 - Reductions to funding for social services and community organizations.
 - Increased land use application fees.
 - 50% reduction to the PDR program.
 - Employee pay increases frozen since 2008.
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FY 2012 Proposed Budget Overview

- School Division funding reduced by \$8.7 million from FY 2010 to 2011.
 - Recession-based reductions = \$4.5 million
 - VRS savings = \$4.2 million
- Governor's introduced budget would reduce VRS savings by approximately \$2.2 million.
- General Assembly's adopted budget reduces increase by approximately 25%.

Advertised Tax Rates in the Region¹

Jurisdiction	Tax Year 2010	Tax Year 2011	2010-2011 Change
Alexandria City	\$0.978	\$0.978	\$0.000
Arlington County	\$0.958	\$0.958	\$0.000
Fairfax County	\$1.105	\$1.105	\$0.000
Fauquier County	\$0.970	\$0.970	\$0.000
Loudoun County	\$1.300	\$1.320	\$0.020
Prince William County	\$1.315	\$1.290	(\$0.025)
Stafford County	\$1.100	\$1.080	(\$0.020)
Spotsylvania	\$0.860	\$0.860	\$0.000

¹*Includes jurisdiction-wide special tax levies.*

Please note: Culpeper and Rappahannock budgets are due to be introduced in late March/early April.

FY 2011 General Fund Status

- County began FY 2011 with a \$2.5 million General Fund balance.
 - \$1.1 million undesignated
 - \$1.4 million designated for future shortfalls
- FY 2011 General Fund revenue projected to exceed budget by approximately \$800,000 (<1%).
 - Real Estate - \$370,000
 - Public Service Property - \$650,000
 - Community Development – (\$200,000)
 - Interest Income – (\$140,000)
 - Compensation Board/Categorical Aid – (\$300,000)
 - Social Services - \$435,000

FY 2011 General Fund Status

- Expenditures have been constrained by hiring freeze and general restrictions on spending.
 - Current projection includes about \$2.0 million balance, or 3%, of General Fund expenditures.
 - \$1,500,000 in compensation and operating expenses.
 - \$500,000 from anticipated reserve balances.
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FY 2011 Projected General Fund Status

Description	Projection
Beginning General Fund Balance	\$1,144,051
<u>Designated for future shortfall</u>	<u>\$1,400,000</u>
Net Available General Fund Balance	\$2,544,051
Projected General Fund Revenue Balance	\$800,000
Compensation & Operating Balances	\$1,500,000
<u>Reserve Balances</u>	<u>\$500,000</u>
Total Expenditure Balance	\$2,000,000
FY 2012 Commitment of Fund Balance	(\$1,200,000)
Encumbrances/Carryovers	(\$1,300,000)
Net Projected General Fund Balance	\$2,844,051

Fauquier County Tax Rates

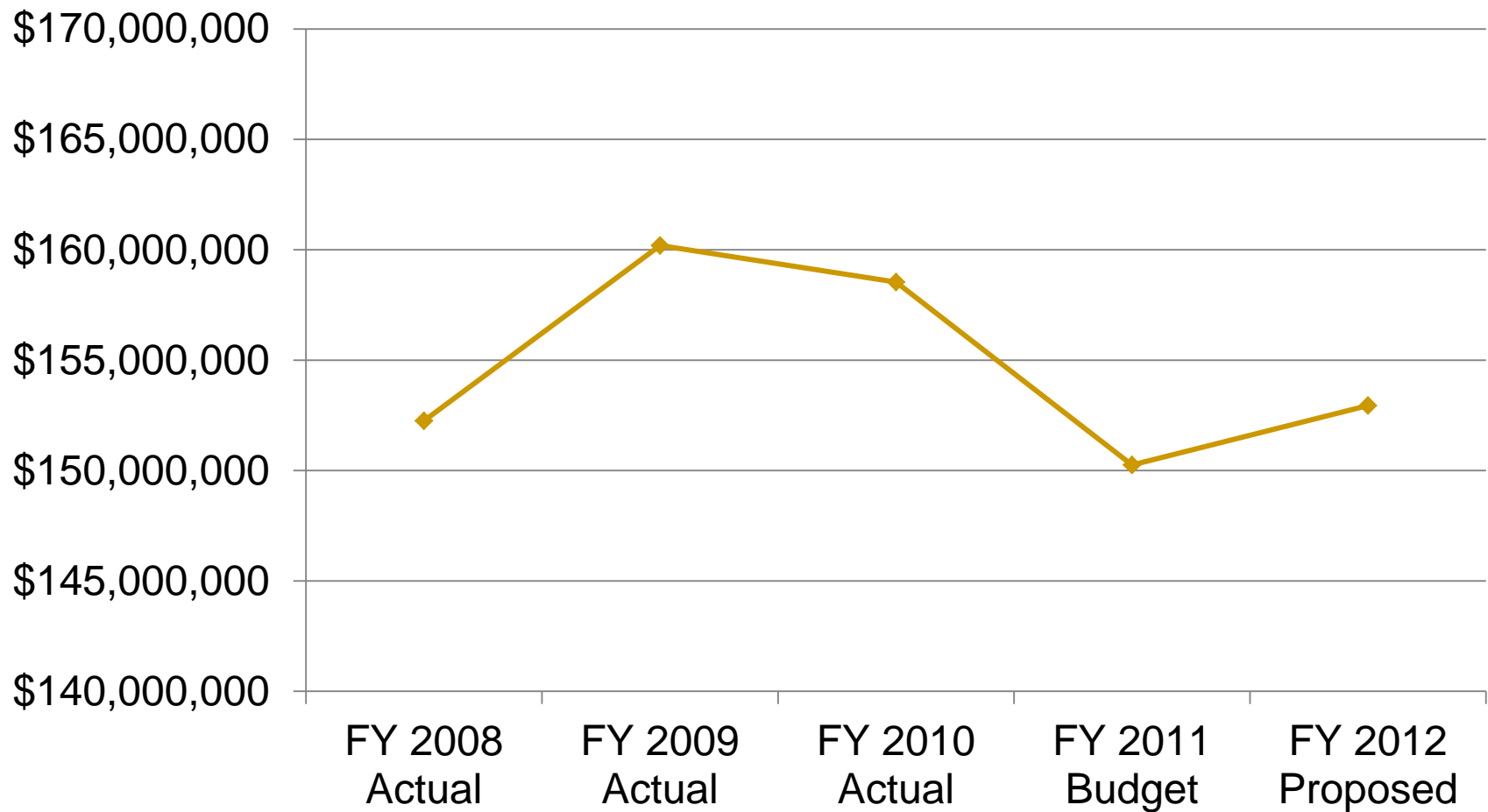
Description	Tax Year 2010	Tax Year 2011 (Advertised)
Real Estate – General	\$0.919	\$0.919
Real Estate – Fire & Rescue	\$0.045	\$0.045
Real Estate – PDR Fund	\$0.006	\$0.006
Personal Property – General	\$4.65	\$4.65
Personal Property – Fire & Rescue	\$0.25	\$0.25
Business Furniture, Fixtures & Equipment	\$2.30	\$2.30
Motor Vehicles (30+ Passengers)	\$1.00	\$1.00
Motor Homes & Campers	\$1.50	\$1.50
Mobile Homes	\$0.97	\$0.97
Machinery & Tools	\$2.30	\$2.30
Aircraft	\$0.001	\$0.001
Handicapped Vehicles	\$0.05	\$0.05

General Fund Revenue

Description	FY 2010 Adopted	FY 2011 Adopted	FY 2012 Proposed
Local Revenue ¹	\$127,443,414	\$121,193,635	\$123,029,910
State Revenue ¹	26,058,766	26,126,481	26,073,336
Federal Revenue	2,346,668	2,347,322	2,896,486
Intragovernmental Revenue	615,929	585,453	942,697
Use of Fund Balance	4,184,987	1,414,500	1,200,000
Total General Fund	\$160,649,764	\$151,667,391	\$154,142,429

¹FY 2010 & 2011 budgets reassign communications tax to State revenue per guidance from the Auditor of Public Accounts.

General Fund Revenue



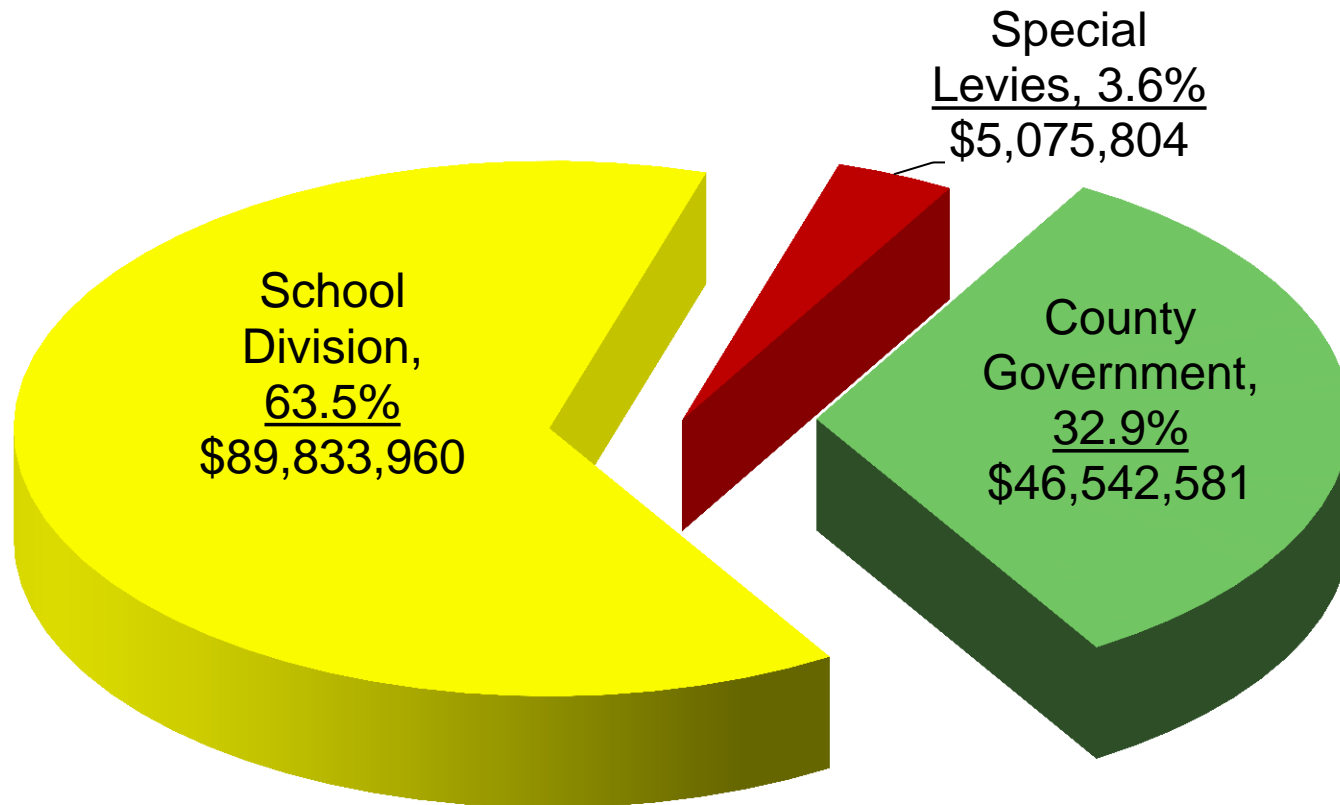
Expenditure Comparison

Description	FY 2010 Adopted	FY 2011 Adopted	FY 2012 Proposed
County Operating	\$67,006,021	\$66,505,421	\$67,517,136
School Division Operating	132,267,480	125,359,543	127,314,242
Capital Projects	6,960,000	13,692,850	17,200,000
Debt Service	14,099,930	13,566,891	13,956,711
Internal Service Funds	24,057,227	23,627,006	25,123,950
Special Levies	5,963,277	6,518,487	6,906,390
Total Appropriations	\$250,353,935	\$249,270,198	\$258,018,429

Local Tax Funding

Description	FY 2012 Expenditures	FY 2012 Revenue	FY 2012 Local Funding
County Operating	\$67,517,136	\$22,743,863	\$44,773,273
School Division Operating	127,314,242	49,422,014	77,892,228
Capital Projects	17,200,000	17,000,000	200,000
Debt Service	13,956,711	445,671	13,511,040
Internal Service Funds	25,123,950	25,123,950	0
Special Levies	6,906,390	1,830,586	5,075,804
Total Appropriations	\$258,018,429	\$116,566,084	\$141,452,345

FY 2012 Allocation of Local Funding



Total Local Tax Funding: \$141,452,345

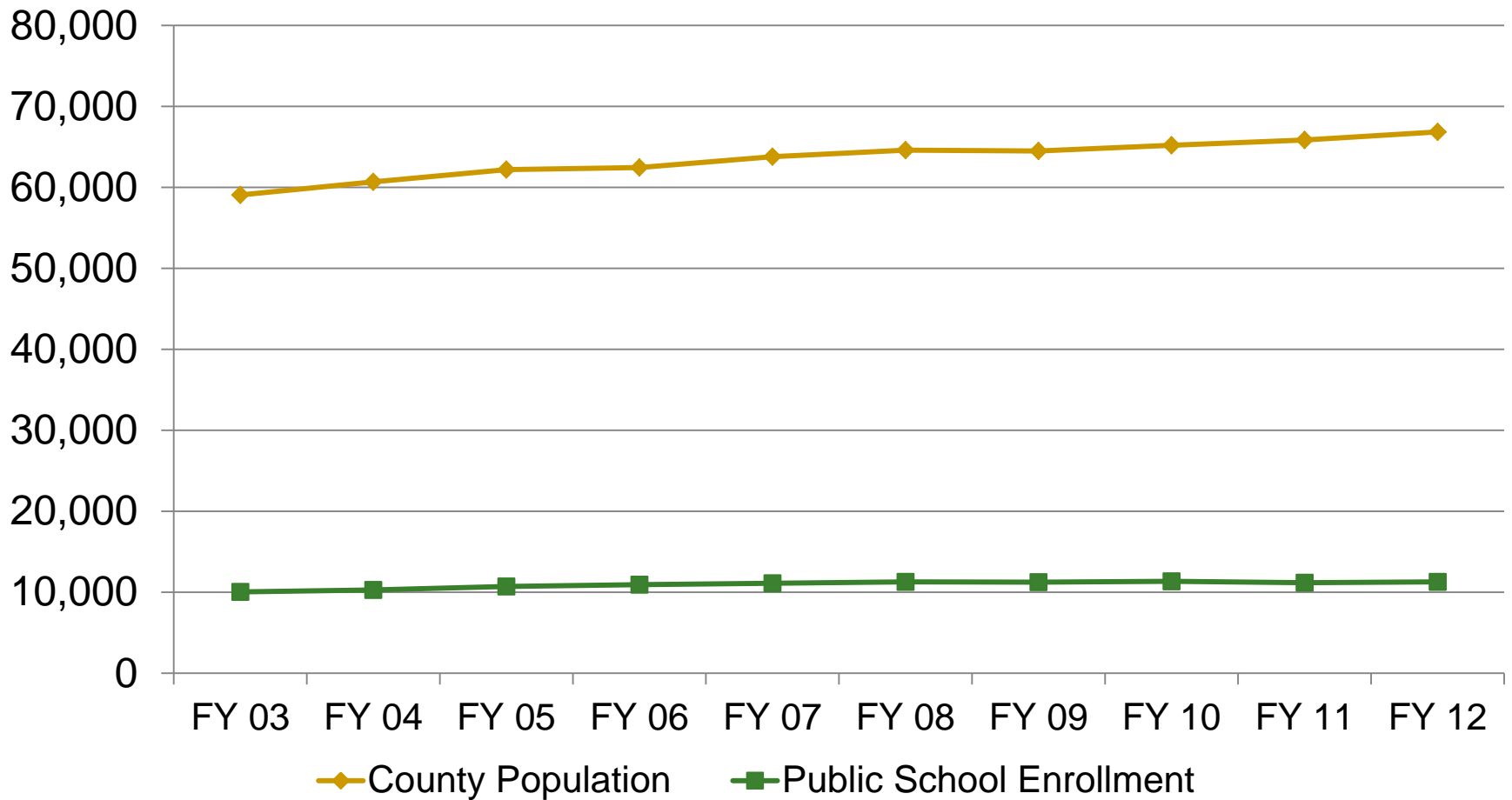
Proposed Budget Enhancements

- The FY 2012 proposed budget anticipates \$2.5 million in additional General Fund revenue.
 - Grant and ambulance billing revenue for career ambulance units added in mid-FY 2011 (\$0.9 million).
 - Federal and State revenue for Social Services (\$0.5 million).
 - Local tax funding available for general use (\$1.3 million).
 - Additional revenue partially offset by a \$0.2 million reduction in State aid.
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Use of Additional Local Tax Funding

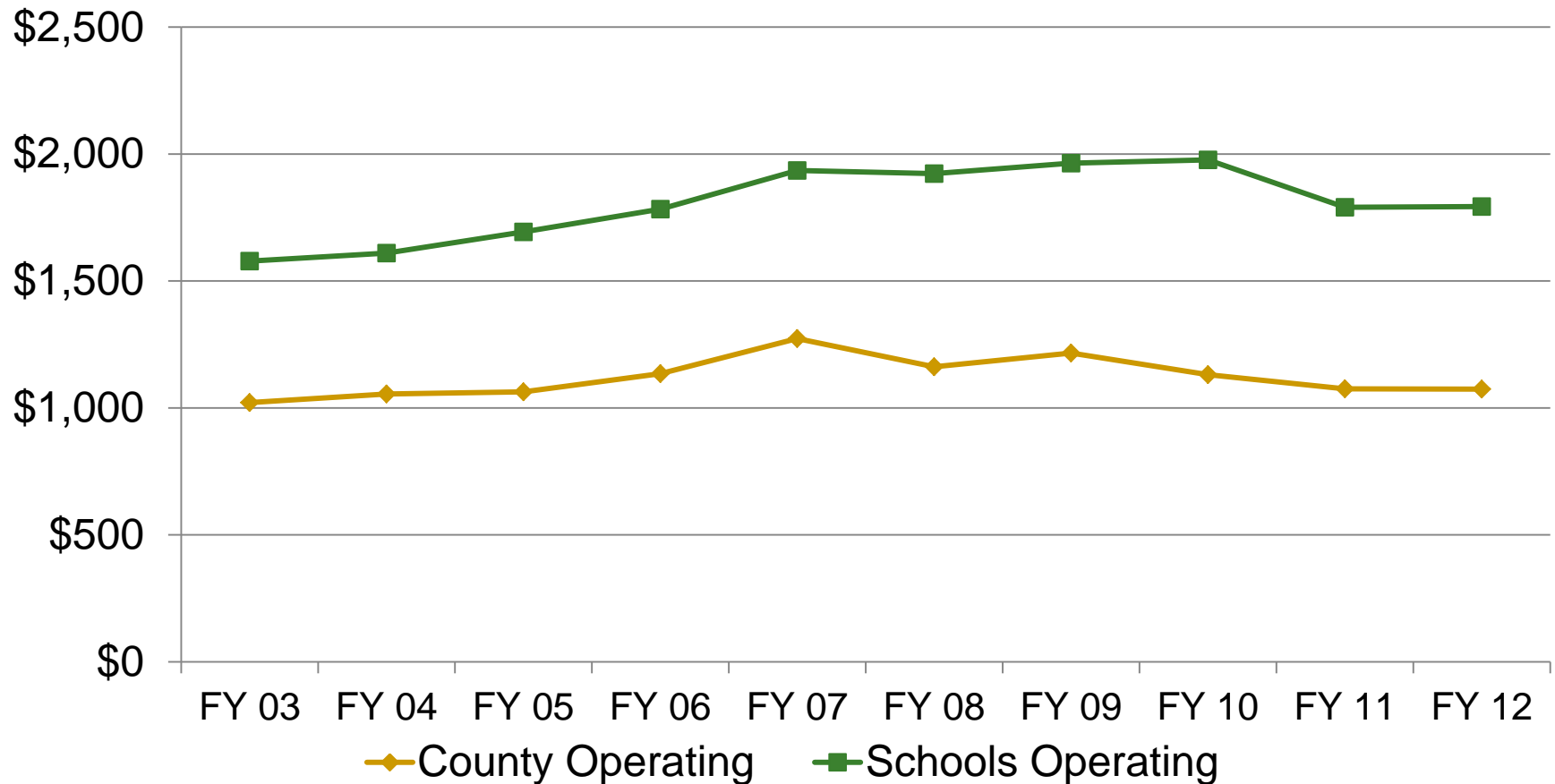
Description	Amount
School Division:	\$1,000,000
<u>County Government</u>	
Administrative Assistant Conversion to Full Time (DFREM)	\$22,720
Human Resources Technician (Human Resources)	58,588
Restoration of Service Hours (Library)	52,963
Assistant Radio Administrator - Temp (Sheriff)	23,135
911 Communications Technician (Sheriff)	59,492
<u>Restoration of Public Safety Records Associate (Sheriff)</u>	<u>48,137</u>
County Government Total:	\$265,035
Total Additional Local Tax Funding:	\$1,265,035

County and Student Population Histories



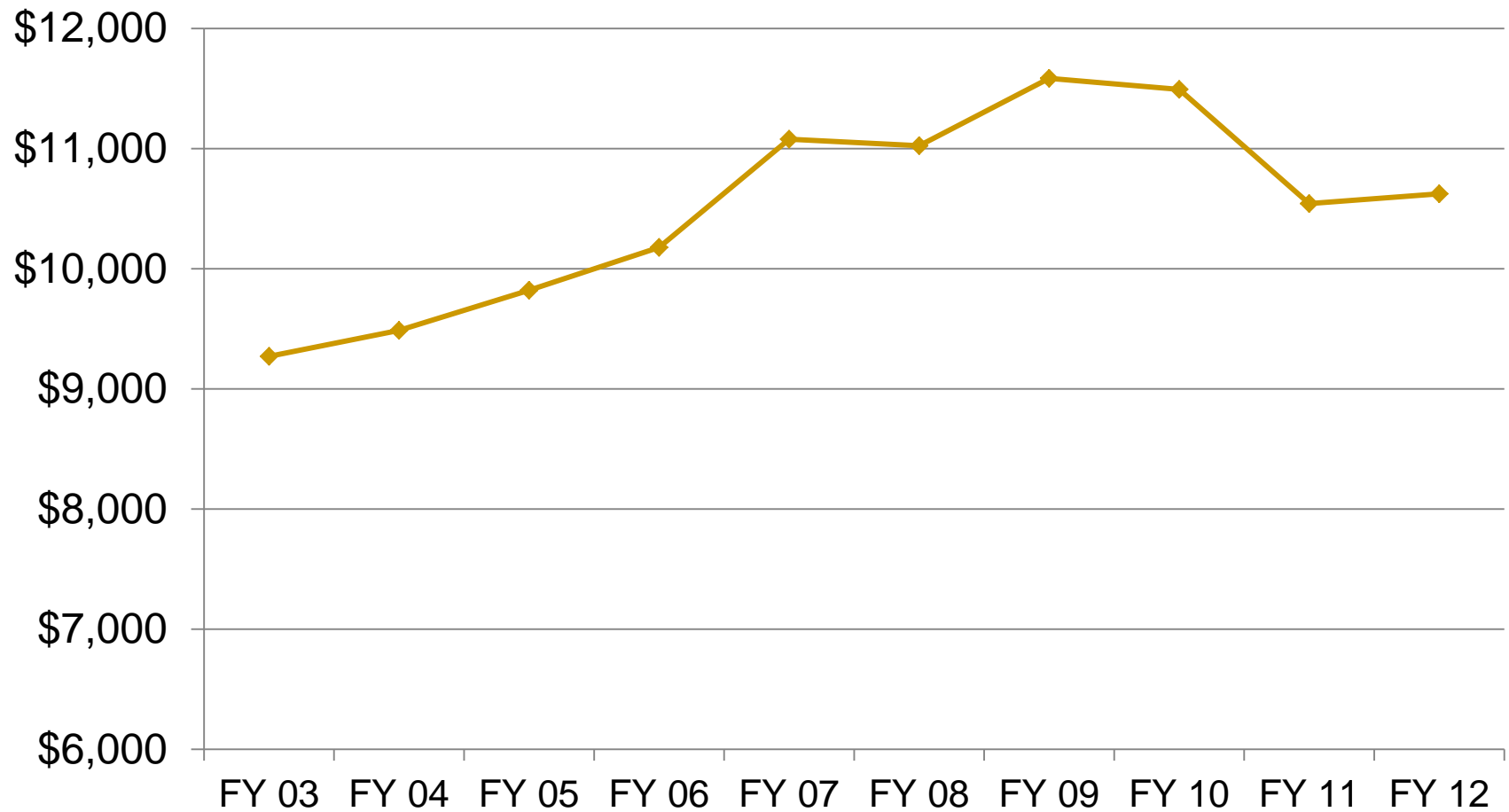
County and Schools Expenditures per Capita

(Adjusted for Inflation)



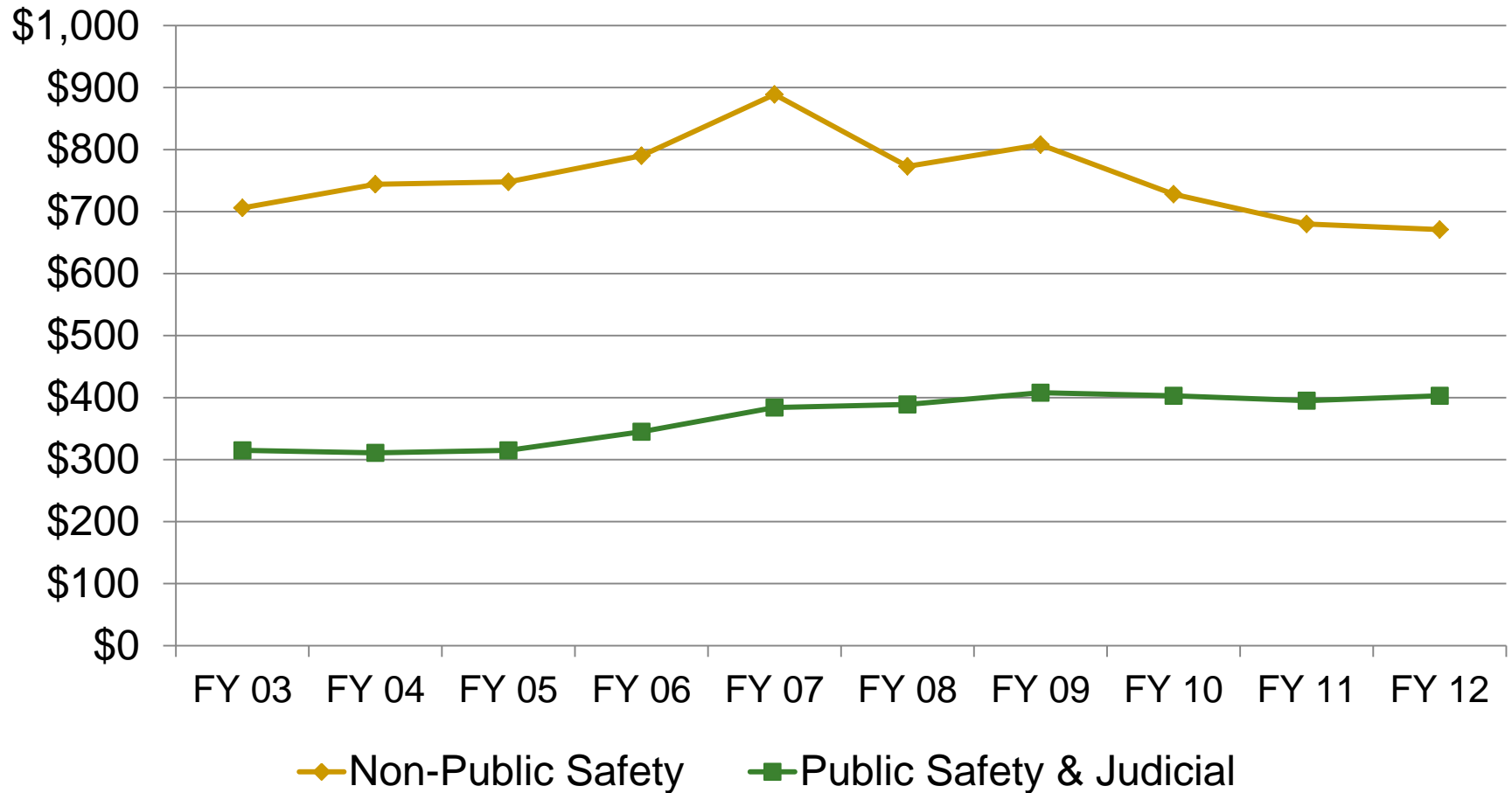
School Division Operating Expenditures per Pupil

(Adjusted for Inflation)

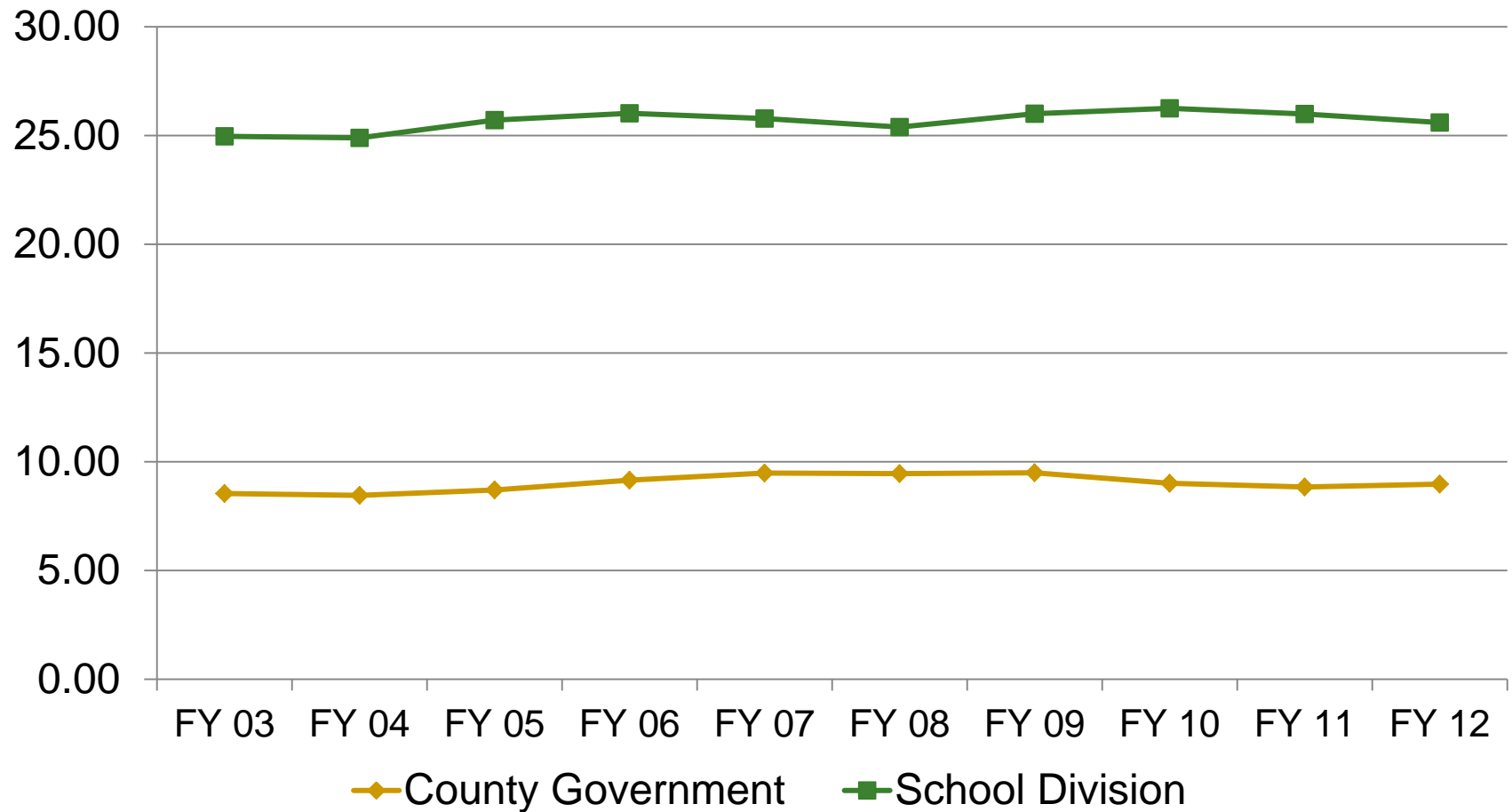


County Expenditures per Capita

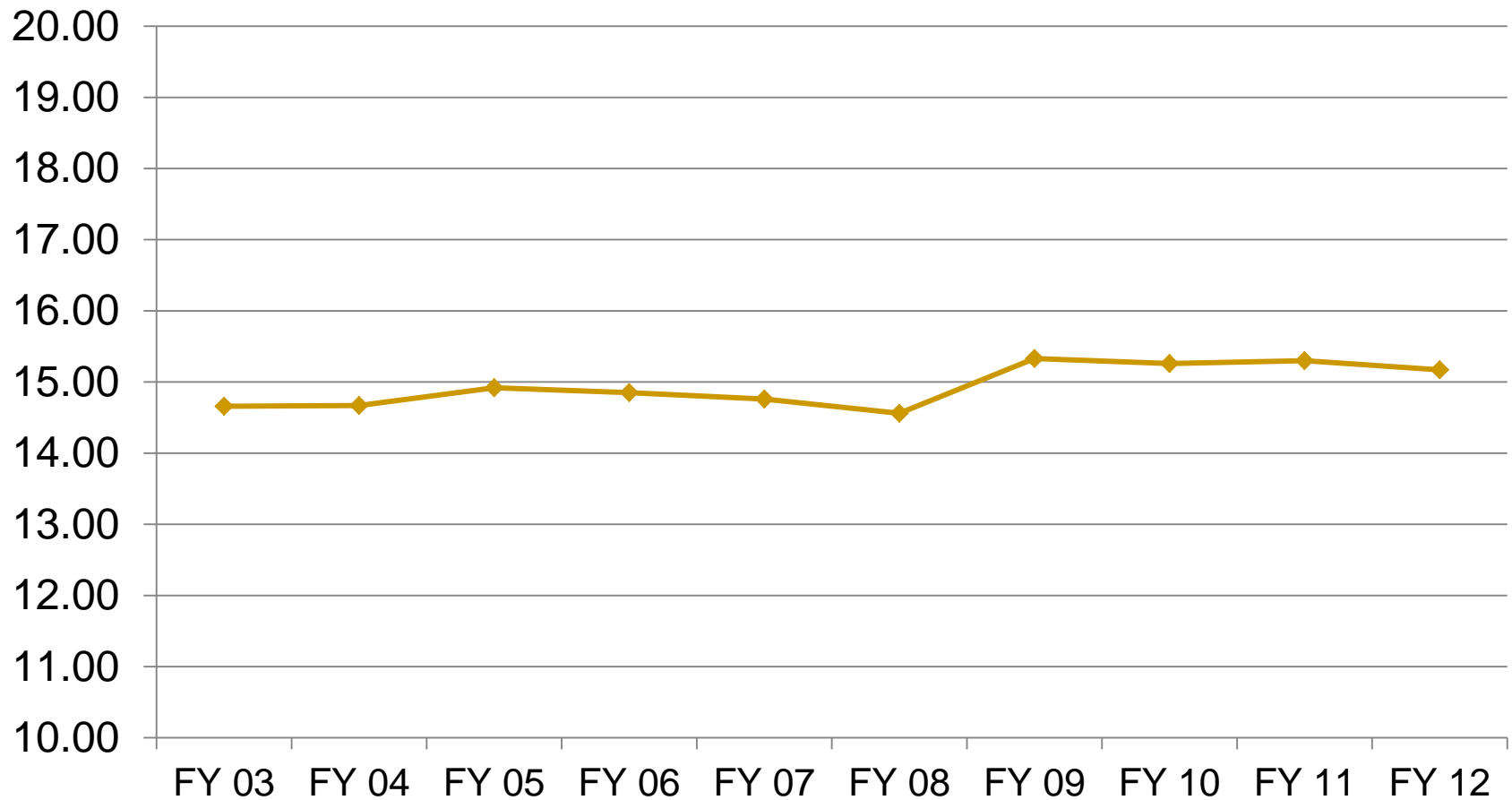
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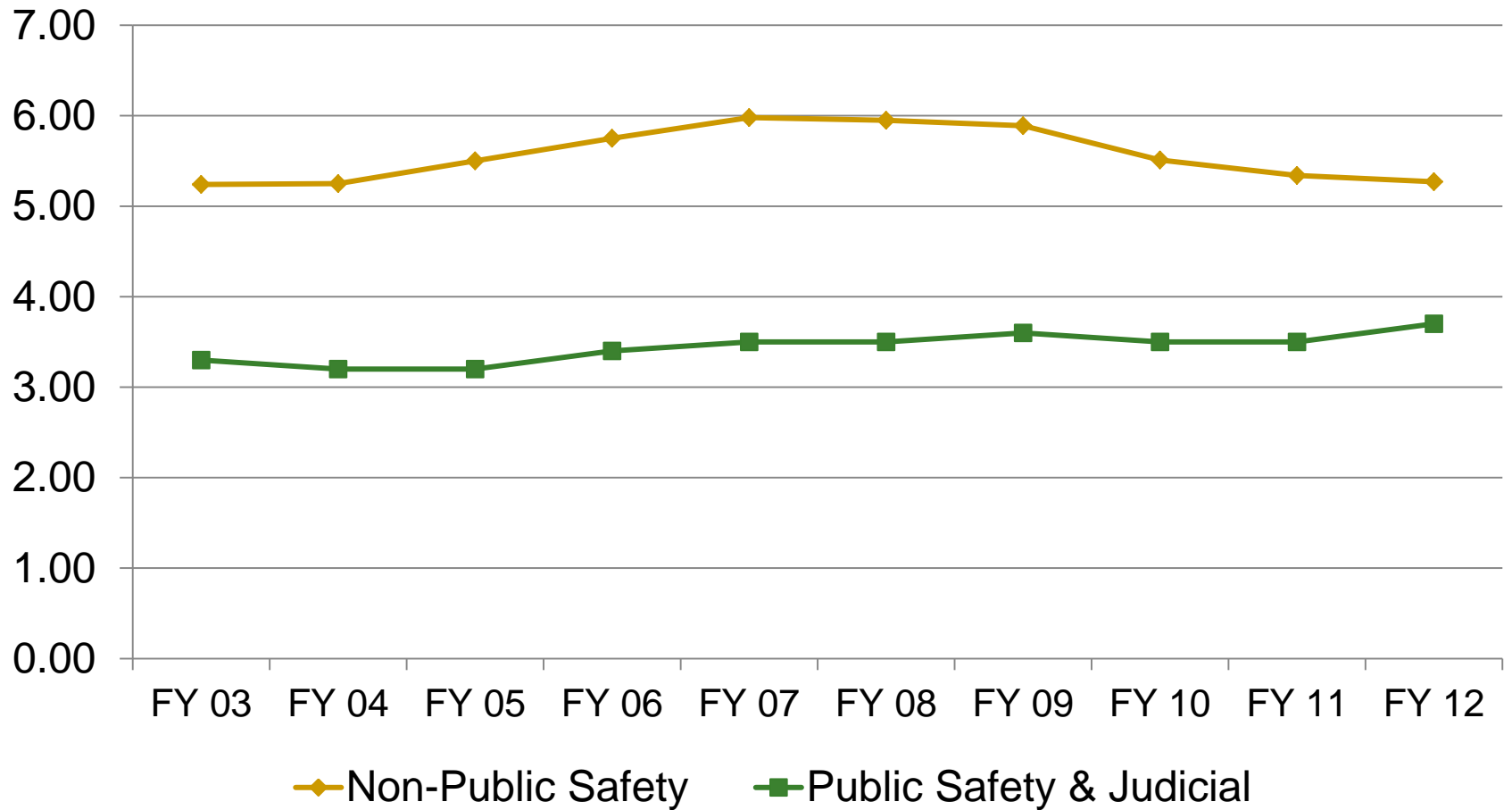
County and School Division FTEs per 1,000 Residents



School Division FTEs per 100 Pupils



County FTEs per 1,000 Residents



FY 2012-2017 Capital Improvement Program

- Proposed CIP totals \$109.7 million through FY 2017:
 - ❑ School system - \$59.6 million
 - ❑ County government - \$36.3 million
 - ❑ Utility projects - \$13.8 million
 - ❑ Reduction of \$16.1 million from FY 2011-16 adopted CIP.
 - FY 2012 proposed budget totals \$17.2 million:
 - ❑ Fauquier High School renovation - \$10 million
 - ❑ Catlett/Calverton Sewer - \$7 million
 - ❑ Facilities Master Plan - \$0.2 million
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FY 2012-2017 Capital Improvement Program

- Planning Commission completed its review of the proposed CIP on February 24th.
 - FPIC recommended several revisions at its March 1st work session.
 - Board of Supervisors will consider the proposed CIP during its March work sessions.
 - CIP public hearing will be held in conjunction with the proposed budget hearing on March 17th.
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FY 2012-2017 Capital Improvement Program

■ FPIC Recommendations:

- ❑ Fund a western fire and rescue station at a location to be determined in FY 2014.
 - ❑ Add projected debt service for the Self-Contained Breathing Apparatus.
 - ❑ Defer the Northern Swimming Pool to FY 2017.
 - ❑ Defer the Central Sports Complex to FY 2016-2017.
 - ❑ Defer the Marshall Convenience Site to FY 2015.
 - ❑ Advance the Opal Water System to FY 2015.
 - ❑ Defer Fauquier High School - Phase 2 to Future Fiscal Years.
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FY 2012-2017 Capital Improvement Program – Planned Expenditures

Description	FY 2012	FY 2013	FY 2014
Proposed CIP	\$17,200,000	\$4,700,000	\$30,400,000
FPIC Recommendations	\$17,200,000	\$900,000	\$15,700,000
Difference	\$0	(\$3,800,000)	(\$14,700,000)

Description	FY 2015	FY 2016	FY 2017
Proposed CIP	\$29,100,000	\$9,000,000	\$19,325,000
FPIC Recommendations	\$10,100,000	\$11,500,000	\$22,025,000
Difference	(\$19,000,000)	\$2,500,000	\$2,700,000

FY 2012-2017 Capital Improvement Program - Debt Service

Description	FY 2012	FY 2013	FY 2014
Proposed CIP	\$14,733,276	\$15,046,548	\$15,450,083
FPIC Recommendations	\$15,048,830	\$15,390,788	\$15,794,323
Difference	\$315,554	\$344,240	\$344,240

Description	FY 2015	FY 2016	FY 2017
Proposed CIP	\$15,387,275	\$17,422,925	\$18,451,767
FPIC Recommendations	\$15,175,515	\$15,798,065	\$15,742,454
Difference	(\$211,760)	(\$1,624,860)	(\$2,709,313)

State Budget Outlook

- The proposed FY 2012 budget incorporated funding contained in the Governor's introduced budget.
 - General Assembly adopted an FY 2012 state budget on February 27th.
 - The adopted budget includes additional revenue estimates developed subsequent to the budget's introduction.
 - Final impact to County is unclear, but should be limited and positive overall.
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State Budget Outlook

- Significant changes from Governor's budget:
 - \$75.6 million additional funding for K-12 public education.
 - \$6 million additional funding for Sheriff's Offices & \$6.1 million for inmate per diem funding.
 - \$12.5 million additional funding for CSA services and local social services departments.
 - Line of Duty Act provisions require localities to contribute unless opting out of program.
 - Estimated FY 2012 impact: \$72,000 – County/\$6,000 - regional jail.
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State Budget Outlook

- General Assembly approved a 5% VRS copay for state employees, to be matched by a 5% raise.
 - Increased copay does not apply to local governments or school divisions.
 - General Assembly also reduced increase to VRS liability for school divisions.
 - Individual agencies will release locality-specific estimates by mid-March.
 - Governor's veto session is scheduled for April 11, 2011.
 - Impact to General Government is likely to be relatively moderate, somewhat more significant for the School Division.
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FY 2012 Budget Schedule

Date	Event
March 8, 2011, 2:00 PM	Budget Work Session
March 10, 4:00 PM	Joint Work Session with School Board
March 15, 2:00 PM	Budget Work Session
March 17, 2:00 PM 7:00 PM	Budget Work Session (CIP) Public Hearing on Budget, Tax Rates & CIP
March 22, 2:00 PM	Budget Work Session
March 29, 2:00 PM	Adoption of Budget, Tax Rates and CIP

FY 2012 Proposed Budget is available online at:
<http://www.fauquiercounty.gov/government/departments/budget>

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